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Central Intelligence Agency

Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

Key Third World Hotspots

22 August 1986

FILE
DATE 8/29/86
DOC NO SOV M 86-20075X
OIR 3
P & PD /

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I. AFGHANISTAN

The pace of combat has increased in recent weeks, but Soviet ground forces have been considerably less active than during the same period last year. Air activity, however, has expanded substantially in comparison with last year. Although the Soviets apparently encouraged the Kabul regime to shoulder a greater share of the fighting early this year, all major operations since late spring have been conducted primarily by Soviet units. Kabul has made some marginal improvements in developing paramilitary forces and intelligence capabilities, but manpower shortages, factionalism, poor morale and serious defection problems persist in the Afghan armed forces. The two offensives since late June made extensive use of artillery bombardment and air strikes, but we saw no evidence of either significant contact with insurgent groups or the destruction of any insurgent strongholds.

Operations against insurgent supply routes and bases in the eastern border regions and wider use of ambushes by Soviet Special Purpose Forces apparently have complicated insurgent logistics. Higher transportation costs and lack of transport have caused some supply bottlenecks, but the insurgents continue to hamper the movement of Soviet and Afghan convoys and recently struck a heavily defended Soviet ammunition depot. The Soviets have had some success in improving urban security, but Kabul--which had been relatively quiet last year--recently has been subjected to a series of insurgent rocket attacks. Control of other urban areas--such as Qandahar and Herat--remains strongly contested. Since becoming head of the Afghan party in May, Najibullah has laid the groundwork for consolidating his control by naming supporters to important positions, but factionalism in the party persists. 25X1

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indication that involvement in Afghanistan has caused the Soviets enough distress to make them contemplate withdrawal in the absence of a viable, pro-Soviet regime. We doubt that Gorbachev's recent announcement of plans to withdraw six regiments reflects a strongly positive assessment of the military situation. It probably does indicate, however, some degree of confidence that Soviet/Afghan forces can maintain their present level of effectiveness and that this gesture will not undermine Afghan morale. There are tentative signs that the withdrawal of at least one antiaircraft unit has begun.

Continued factional strife in the Afghan party since the accession of Najibullah, the disappointing recruiting efforts of

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the Afghan Army, and the only token participation of Afghan forces in recent military operations suggest that Moscow is unlikely to believe that the Kabul regime could survive a total Soviet withdrawal in the near term. At the recently concluded proximity talks in Geneva, Moscow had Kabul offer a three-year, "front loaded" withdrawal timetable but refused to consider Cordovez's proposal for a two-year time frame, much less Pakistan's demand for withdrawal in less than a year. Moscow will probably pursue private discussions with Islamabad on establishing a "government of national reconciliation" in Afghanistan while hinting that a more reasonable withdrawal timetable will follow agreement on other issues. We believe, however, that such moves are designed to draw out negotiations, softening international opinion and sapping the will of the Afghan resistance and its supporters while the Najibullah regime gains time to consolidate its position.

II. NICARAGUA

Since April the insurgents have sustained about 9,000 to 10,000 combatants inside Nicaragua and kept up a steady string of hit-and-run attacks.

-- In recent weeks the rebels, operating largely in the northwest, have successfully hit military barracks and economic targets such as state farms and electric power pylons. They maintain considerable local support in areas where they operate.

-- With renewed US military assistance the insurgents hope to increase combat activity on other fronts in an effort to draw regime troops away from northern combat zones.

For their part, the Sandinistas appear to have improved their tactics and command and control, but neverthless face continued manpower and materiel shortfalls. Sandinista casualties have increased, and larger numbers of desertions probably reflect lower morale. The Sandinista leadership, however, remains united in its determination to suppress any challenges to its goal of establishing a Marxist-Leninist regime, and we expect internal repression to intensify as the armed insurgency--bolstered by renewed US military assistance--expands in size and operating areas. On the domestic political front, the Sandinistas are determined to prevent the creation of an internal front in support of the insurgents.

-- Since late June, Managua has closed the only independent newspaper, denied the Catholic Church spokesman reentry into Nicaragua, forced a bishop into exile, and stepped up harassment of second-echelon leaders in the political opposition.

-- We also expect the regime will use its growing internal security capabilities--developed largely with Cuban and Soviet Bloc assistance--to step up large-scale sweeps in rural areas while monitoring the domestic opposition and US presence in the cities.

The Soviets remain committed to keeping the Sandinista regime afloat despite rising costs of economic and military materiel assistance. Moscow clearly believes that the advantages gained by Sandinista consolidation justify its investment, which is still small relative to its other high-priority Third World aid programs. The Soviets probably had hoped that domestic political pressure in the US would have cut off external support to the insurgents, lessening the need for Soviet aid, but now take a longer term view of the prospects for Sandinista

consolidation. Moscow has tried to limit assistance to Nicaragua over the past five years by urging the Sandinistas to seek other sources of financial support. But with Western assistance drying up and consumer shortages growing, we believe the USSR has decided to expand its commitment to subsidize the deteriorating Nicaraguan economy, and will urge its Warsaw Pact allies to increase aid as well. Moscow may have increased Managua's credit lines by as much as 60 percent over last year, approaching $350 million in 1986 alone. Moscow's steadily increasing role as a direct supplier of arms to the Sandinistas underscores the continued Soviet commitment to the regime. Nevertheless, we believe the Soviets continue to use Cuba as a transhipment point for arms destined for the Sandinistas, particularly larger military items such as transport aircraft. This year's deliveries include at least 10 MI-8/17 transport helicopters, several hundred military vehicles, and an AN-30 aerial survey aircraft probably on loan from the Soviets. The Sandinistas expect to receive a total of 23 MI-8/17s and four additional AN-26 transport aircraft, doubling the size of their air force. The Soviets have already delivered more military equipment this year than in any previous year, indicating that total Warsaw Pact military aid for 1986 could exceed the previous peak of 1984. Nevertheless, Moscow will probably refrain from sending Managua jet fighter aircraft to avoid provoking US military intervention. The Soviets are also likely to keep their advisory presence--about 75 military and 200 economic advisers--as small and low-profile as possible.

III. ANGOLA

Over the past several months, Luanda has undertaken major preparations for a large scale ground and air operation directed against UNITA's stronghold in southern Angola. Luanda has about two months of favorable weather in which to launch its expected offensive before the rainy season begins in November. There is currently fighting around the forward government staging area of Cuito Cuanavale following a UNITA surprise attack on 10 August designed to disrupt Luanda's military preparations. So far, UNITA appears to have inflicted little damage. Fighting has also been under way since May around the central Angolan town of Munhango--which sits astride important logistical lines of both sides--where UNITA units have been harassing Angolan forces in control of the town.

President dos Santos, who now appears to be in an unchallenged political position, is committed to prosecuting a long-term military effort against UNITA while trying to split its ranks by holding out the prospect of negotiations. The approximately 1,200 Soviet military advisers in Angola are assigned to virtually all command and staff functions down to at least the brigade level, with responsibilities including planning, training, recruitment, political supervision, and logistical support. We believe the Soviets played a significant role in the planning of last year's Angolan offensive and are likely also heavily involved in planning this year's combat operations. The Soviets have generally avoided direct participation in combat, relying on the Cubans to fly important air missions and handle advanced equipment. However, we believe there is a growing chance that the Soviets, Cubans, and South Africans, through support to their clients, may themselves be drawn into more direct conflict.

We believe that the Soviets take a long view of the situation in Angola, where they have limited military access to air and naval facilities and extensive economic and political relations. They appear to favor a strategy involving gradual consolidation of government political control through the extension of the state and party apparatus combined with continuing military pressure on UNITA. The scale, timing and composition of Soviet arms deliveries suggest that they support offensive action by Luanda once deliberate logistical and defensive preparations have been made. However, Moscow would probably prefer that Luanda avoid precipitant offensive moves that risk exposing its forces to South African counterattack. Over the long run, the Soviets are probably counting on incremental government military gains, exhaustion on the part of UNITA followers, and the eventual passing from the scene of Savimbi to facilitate Luanda's victory in the contest with UNITA.

IV. IRAN/IRAQ

Iraq and Iran have increased pressure on each other in the last six months in anticipation of major battles this fall. Iran's successes at Al Faw and Mehran this year, its domestic economic problems, and the fall in oil prices have caused the Iranians to change their strategy and attempt to end the war by early 1987. Over the last two months, Iran has mobilized a large number of men and redeployed troops to prepare for an offensive. The threat of another Iranian attack and recent military defeats, economic problems, and declining civilian and military morale have weakened Iraq more than at any time in the six-year war. Baghdad's increase in air attacks on economic targets in Iran and the Persian Gulf have not deterred the Iranians from continuing the war.

Relations between the USSR and Iran are troubled by antagonisms that are likely to prevent a significant improvement in relations. The clerics' abhorrence of atheistic Communism has reinforced Iran's historical hostility toward Russia and created deepseated suspicions about Soviet intentions toward the Islamic Republic. The Iranians have sought better ties in the hope of gaining Soviet arms and the economic benefits of increased trade, but they have been unwilling to pay the price of meeting Soviet demands. The Soviets insist that Tehran end the war with Iraq, tone down anti-Soviet propaganda, and cease support for the Afghan resistance. These issues are likely to continue to impede improved relations even after Khomeini dies.

Iraqi-Soviet relations are generally good despite periodic strains over military sales, repression of the Iraqi Communist Party, and arms sales by Soviet allies to Iran. The Iraqis remain suspicious of Soviet ambitions in the region and still resent the USSR for cutting off arms supplies to Iraq early in the war. Iraq will continue to rely on the Soviets for the vast majority of its military equipment but will try to reduce that dependency after the war.

Iraq's diplomatic efforts are aimed at isolating Iran and curtailing arms sales to Tehran. Senior Iraqi officials have crisscrossed Africa in recent weeks drumming up support for an anti-Iranian resolution at the Non-Aligned Summit meeting next week and to counter similar Iranian efforts to rally African support at the summit. Baghdad is also seeking worldwide backing for Iraqi President Saddam Husayn's five-point plan for ending the conflict. The Iraqis continue to press the United States, other Western states, and the Soviets to embargo arms to Tehran.

The Gulf war has not served Moscow's overall interests in the region despite boosting Soviet arms sales to Iraq: it

sparked the formation of the Gulf Cooperation Council, which turned to the United States for strategic assistance; it complicated Soviet efforts to achieve greater cooperation among Iraq, Syria, and Libya; and it tended to offset resentment against the US for its pro-Israeli stance among moderate Gulf Arab states. Despite Moscow's support for Baghdad (Iraq buys approximately half of its arms from the USSR and most of its major weapons systems are Soviet-made), the Soviets probably do not want either Iran or Iraq to emerge as clear victor, having long preferred a relative balance between the two countries as the best way to exert Soviet influence in the region. A victorious Iran not only would undermine Soviet influence in Baghdad, but also probably would make the Khomeini regime even less susceptible to Soviet inroads or pressure and free up assets that could be used to support the Afghan mujahadeen or help spread Islamic fundamentalism beyond Iranian borders. Moscow's inability to influence Tehran and Iraq's inability to force Iran to enter negotiations suggest the USSR will continue to support Iraq in its war effort, especially as long as the United States remains locked out of Iran.

V. SOUTH YEMEN

The regime in Aden seized power over seven months ago, but has failed to consolidate its position at home or gain more than limited support abroad. Violent personal and factional rivalries and policy disagreements divide the ruling coalition. No person or group has emerged capable of forming a stable, broadly-based government. The fragile balance between factions could easily be upset as maneuvering for power leads to renewed fighting.

The security situation, especially in Aden, remains unstable; reports of unrest, revenge killings, and continuing detentions are commonplace. The regime continues to purge supporters of former South Yemeni President Hasani from its ranks and is preparing to try in absentia Hasani and the top 45 leaders who fled the country with him. Refugees are still streaming across the border to North Yemen where as many as 15,000 South Yemenis are encamped.

Economic problems, serious before the coup, have grown worse. The Aden refinery and port facilities--key sources of foreign exchange--are functioning normally, but earnings from other sources have fallen. South Yemeni envoys recently met with Soviet and Gulf leaders to request funds, but so far have not gotten the hard cash Aden desperately needs. Aden has employed a number of stopgap measures, including cutting imports and halting development projects, but without additional foreign assistance these moves will be insufficient to arrest economic deterioration.

The exile issue remains the main stumbling block to better relations with North Yemen and traditional allies such as Syria, Libya, and Ethiopia, who still support Hasani to varying degrees. North Yemeni President Salih is providing military training to the exiles and is threatening to unleash them in operations across the border. Aden so far has resisted all attempts, both Soviet and North Yemeni inspired, to work out a political compromise. Talks collapsed last week--the fourth such effort to fail in the last month--and the participants may now think negotiations are futile.

The fighting in January reduced the ability of South Yemen's armed forces to conduct offensive operations. Most officers and technically skilled personnel have defected to the North. Stocks of fuel, ammunition, and military spare parts were drawn down significantly during the fighting and logistic support is poor.

Aden will look to Moscow to restock its inventory of arms, ammunition, and spare parts. Even so, the armed forces probably can sustain routine operations for the next few months without

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major resupplying from the USSR.

The Soviets are eager to protect their equities in South Yemen, the only Marxist Arab state and the USSR's closest ally in the Middle East. The Soviets have limited use of naval and air facilities there, deploy IL-38 antisubmarine and reconnaissance aircraft continuously to Al Anad Air Base.

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Since the January crisis, their efforts appear almost exclusively focused on avoiding another outbreak of fighting--both by encouraging reconciliation within the new regime and by promoting talks between the exiles in North Yemen and the present government. The Soviets have staved off more fighting thus far, but they have yet to reconcile these groups or to gain North Yemeni President Salih's support for their efforts; in Moscow's view, the situation will remain unstable until some accommodation is reached with these parties. While Moscow is concerned not to lose influence in North Yemen, its presence and influence in the south will continue to take priority, especially if President Salih supports an insurgency movement inside South Yemen.

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VI. CAMBODIA

Vietnam continues to focus military pressure along the Thai-Cambodian border to block resistance infiltration and to disrupt guerrilla activity. All nine of Vietnam's combat divisions and the five People's Republic of Kampuchea divisions are deployed there. Hanoi also continues to construct barriers throughout the border region that are designed to impede further resistance infiltration to the interior. Chinese military pressure along the Sino-Vietnamese border, which has been limited to the strategically unimportant area near Malipo where China maintains 70,000 troops, does not seem to deter Vietnam from conducting operations in Cambodia that it deems necessary. Resistance forces, however, remain active throughout most of the country. The Communist Khmer Rouge, in particular, have conducted an active interior campaign over the past few months exploiting Vietnam's emphasis on the border area. The Khmer Rouge have launched numerous small-scale attacks against Vietnamese and Cambodian military positions, local government facilities, and several major population centers, including Phnom Penh. Non-Communist forces also have stepped up infiltration activities, although they still do not have an effective support network in Cambodia and are not a factor on the battlefield. Despite these internal security problems, Vietnam retains the strategic advantage, which we doubt the resistance will erode appreciably anytime soon. Diplomatic efforts hold little promise for achieving a breakthrough. Hanoi continues to insist on the elimination of the Pol Pot group and the recognition of the Heng Samrin regime while ASEAN continues to demand the complete unconditional withdrawal of Vietnamese troops; neither side is likely to compromise in the next few years.

The Soviets continue to portray the Vietnamese approach to resolving the Cambodian question as reasonable and flexible, and to deny that they themselves bear any responsibility for the failure of the warring sides to reach a political settlement. General Secretary Gorbachev tried to finesse the issue in Vladivostok last month, in a futile attempt to avoid irritating Beijing any further, but the Soviets have made it clear since then that they do not intend to end their support of Vietnamese military operations in Cambodia. There are some costs in their close identification with Hanoi's position, of course, but the Soviets do not see their fundamental objectives served by attempts to pressure Vietnam toward changing its current Cambodian strategy. Soviet leaders might change their minds on this point if they believed they had a real opportunity to achieve a breakthrough in their relations with China, but are not about to give up the military facilities they have in Vietnam--and those they might get in Cambodia-for a "maybe." Moscow, at the same time, appears to be launching a fresh campaign to woo

the ASEAN countries--for example, by floating offers on new trade deals and raising the possibility of a Shevardnadze trip to the area this fall. It obviously hopes to elicit concessions from the ASEAN states and other potential players in a Cambodian settlement, while fingering China as the main obstacle to progress.

VII. ETHIOPIA/SUDAN

Chairman Mengistu is firmly in charge and is proceeding with institutionalizing a Marxist-Leninist state in Ethiopia. His attention currently is focused on the proposed Soviet-style constitution now under review. When it is finalized, Mengistu plans to proclaim Ethiopia a "People's Democratic Republic" to succeed the "provisional government" he has headed since 1977. He reportedly believes that the regional autonomy clauses of the constitution will establish a political basis for an end to Ethiopia's insurgencies. However, the Eritreans have already rejected the premise and autonomy is unlikely to have much appeal to the Tigreans and most other ethnic groups. We believe Mengistu will have no choice but to continue his pursuit of a military solution to the insurgencies. Military activity in Eritrea has been light over the past six months; Ethiopian forces are in a defensive posture and there is no evidence of a planned offensive. The Marxist Eritrean insurgents-with some 25,000 fighters--have conducted few military operations this year, although they could move quickly to exploit government weaknesses. In Tigray, the Marxist-led rebels--with an estimated 15,000 effectives--rebuffed the regime's spring offensive and continue to control most of Tigray province. The Soviets have provided extensive arms and advisory support for Ethiopian military efforts against the insurgents. Moscow has supplied over $3.5 billion in arms since 1977 and has approximately 1,700 military advisers and technicians in Ethiopia. Soviet advisers are involved in a variety of command and staff functions, including operational planning, political supervision, and logistical support.

In neighboring Sudan, Prime Minister Sadiq al-Mahdi still has not made much headway in consolidating power over the civilian coalition government or winning the loyalty of the armed forces. Infighting among Sudan's numerous political parties and Sadiq's weak leadership have created a government where few decisions are made. The long-festering insurgency in southern Sudan is a symptom of the fundamental division between northern Muslim Arabs who control the central government and the southern animists and Christians who identify with the African world. The 15,000-man insurgent group--John Garang's Sudanese People's Liberation Army--receives weapons, training, and logistical support from Ethiopia and reportedly gets occasional advisory support from Soviet Bloc advisers. Mengistu sees support for the SPLA as a lever that he will be able to use to force Khartoum to stop what he sees as its support for Ethiopian insurgents. The SPLA faces some 17,000 government troops whose logistics, readiness, morale, and leadership problems have allowed the rebels to gain the upper hand across most of the south. Recent talks between Sadiq and Mengistu failed to resolve the tensions

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between Sudan and Ethiopia.

The Soviets apparently see the northern insurgencies as a difficult military problem for Addis Ababa, but not one that presents an immediate political threat to the Mengistu regime. 25X1
the Soviets have often counseled 25X1
Mengistu to explore the possibility of some kind of political settlement with the northern insurgents, apparently in the belief a settlement would give the Mengistu regime some breathing space to rebuild the Ethiopian economy and expand the state and party apparatus. However, the Soviets have not applied their primary source of leverage on Mengistu on this issue--a cut-off of arms--and we expect them to continue to provide arms and advisory support for the Ethiopian military. We do not expect the tensions that arose in the aftermath of the coup in South Yemen--when the Soviets pressured Mengistu to cease military support for former Yemeni President Hasani--will have a significant effect on Soviet-Ethiopian relations, in view of Mengistu's commitment to Marxism-Leninism and lack of alternative military and political supporters. Over the next several years, the Soviets will push for the transformation of the Worker's Party of Ethiopia into a broadly-based civilian Marxist-Leninist party, a process they will facilitate by providing training to large numbers of party officials. Over the longer run, the Soviets will look for the party to consolidate Marxist-Leninist rule in Ethiopia, ensure Soviet influence there, and guarantee continued Soviet access to Ethiopian air and naval facilities.

The Soviets will likely proceed slowly toward warming relations with Sudan. While Moscow welcomed the overthrow of the staunchly anti-Soviet Nimieri, it views Sadiq as coming from the same Sudanese establishment that produced Nimieri and questions how far Sudan will dissociate itself from the US. During his recent visit to Moscow, Sadiq sought to revive Soviet economic projects begun in the early seventies and to bolster the new government's claims to nonalignment. He also may have broached Sudan's need for spare parts for Soviet military equipment purchased 15-20 years ago and sought relief from Ethiopia's support for John Garang. The Soviets did not give Sadiq an especially warm reception, however, and probably told him that Ethiopia's support for Garang was related to Sudan's support for the Eritreans. Moscow will probably continue to let Mengistu take the lead with the SPLA, though it might pressure him to back away from the group if it believed that Khartoum could be brought closer to the Soviet orbit.

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